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For Immediate Release

May 12, 2009

Senator Gregg: Delay on Entitlement Reform Will Worsen Fiscal Outlook

Recession Accelerates Fiscal Crisis;

Trustees' Report Triggers Medicare Funding Warning for Third Straight Year

"The Medicare and Social Security Trustees revealed today that the recession is having a major impact on the Medicare and Social Security Trust Funds, accelerating the arrival of a massive, trillion-dollar entitlement crisis on our doorstep. The demands of the retiring Baby Boomers and rapidly increasing health care costs will break the federal piggybank. The Democratic majority's continuing inaction on this issue is inexcusable, especially given the reckless spending that they have in the works.

"Medicare's hospital insurance fund, which covers beneficiaries' most expensive health care costs, is projected to be bankrupt in 2017. The Trustees also predict that Medicare will cover more than 45% of its expenses out of Treasury's general fund coffers beginning in 2014 and have issued a "Medicare Funding Warning" for the third year in a row, requiring the President to submit legislation to alleviate the crisis.

"Last year ahead of the elections, Democrats scoffed at the Medicare Funding Warning announced by the Trustees, claiming that the Bush Administration had 'trumped-up a phony crisis.' That is dead wrong, and we are putting our children's economic future on the line if we don't take these warnings seriously. I was disappointed to learn this week that the President has chosen not to send Congress a proposal to address the Trustees' Medicare Funding Warning last year.

"The federal government has unfunded obligations of nearly \$38 trillion in Medicare benefits, more than half of the nearly \$69 trillion long-term unfunded obligation that we face in the entitlement arena. This crisis is getting closer and closer, and trying to kick the can down the road will not make it go away; we need to take meaningful action now."

"Social Security also is facing an accelerating financial crisis. In just a few years, the program will begin to pay out more in benefits than it collects in taxes, and the Trustees project the program will go bankrupt four years earlier than projected last year. The problems facing this program are straightforward and solvable, the only challenge is politics. I stand ready to work with my colleagues to solve this crisis so that every American can trust that Social Security will be there for them."